

Advisory Council's First Annual Report on
The Governor's Postsecondary Scholarship Program
2005-2006 Academic Year

EXHIBIT 3
DATE 1/22/07
HB 2

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Report of the Advisory Council for
The Governor's Postsecondary Scholarship Program
(2005-2006 Academic Year)
August 12, 2006

The 2005 Legislature, at Governor Schweitzer's request, enacted legislation creating state financial aid for postsecondary students in Montana and gave it the title *The Governor's Postsecondary Scholarship Program*. It is now codified at 20-26-601 MCA. The legislation also created a three-member Advisory Council to assist the Board of Regents in administering the program. In June, 2005, Governor Schweitzer appointed to the Council LeRoy Schramm, retired legal counsel for the Montana University System; Dolores Colburg, former State Superintendent of Public Instruction and also former Commissioner of Political Practices; and Clarena Brockie, currently Dean of Students at Fort Belknap College. Under the newly enacted statute, the council was directed to "report to the governor annually" (see 2-15-1524 MCA). This report is intended to fulfill that requirement.

The Governor's Postsecondary Scholarship Program was created to provide Montana residents with greater access to Montana's postsecondary institutions. The program also has a goal of alleviating student debt burdens, thereby allowing the possibility for more Montanans to stay in the state on graduation. A request of \$3 million accompanied the legislation to fund the program fully; however, the legislature appropriated just half the request, \$1.5 million for the 2006-2007 biennium. The statute gives the Board of Regents authority over the program and directs that it be administered by the Commissioner of Higher Education, who in turn has assigned operational responsibility of the program to the Montana Guaranteed Student Loan Program (MGSLP).

The legislation creating *The Governor's Postsecondary Scholarship Program* was enacted late in the 2005 session with the intention that the first scholarships be distributed in time for the 2005-2006 academic year. In addition, the statute provides several specific requirements as to how and to whom scholarships are to be awarded. Because most students planning to attend postsecondary institutions in the fall of 2005 had already worked out their assistance packages with the financial aid offices at their schools, the MGSLP was put in something of a time crunch in trying to develop policies that would distribute this new source of student aid to its legislatively intended beneficiaries. The Council concurred with the MGSLP that for the first year (2005-2006) the program should be administered under interim policies that would assure the first-year scholarships be distributed in a timely manner. The Council proposed these interim policies to the Board of Regents in July of 2005 and the Board adopted them at that time. In November of 2005, the Board of Regents approved permanent policies and procedures for subsequent years.

This report summarizes the distribution of scholarships under those interim policies only. While these interim policies differ from the permanent policies in certain important ways (e.g., the permanent policies require that the merit at-large scholarships be awarded centrally from a statewide application pool rather than by individual college financial aid offices), it is not clear if the characteristics of the applicants will change much. That is probably a good thing since the characteristics of the recipients seem to indicate that the kinds of students targeted by the legislation actually did end up receiving scholarships. One aspect of the permanent policies worthy of note is that each tribal college, each community college, and each university system campus is guaranteed a minimum number of scholarships; so students at every public campus will benefit to some degree.

The legislation attempted to create a balance between need and merit as the primary criteria for awarding scholarships. For example, the statute states that all recipients must demonstrate financial need; however, "need" was defined in such a way that, given the economic profile of most Montana families, the great preponderance of Montana college students could meet the need requirement. The legislation also created a balance between students in two-year programs and students in four-year programs, with a majority of the scholarships going to two-year students. As written, the statute authorizes 930 scholarships worth \$1,000 per year and 40 scholarships worth \$2,000 per year for a total of \$1,010,000 to be granted in the first year. Because these scholarships are renewable for either two or four years, contingent on satisfactory academic progress, the cost in the second year would be about twice that of the first year. Because the legislature appropriated only \$1.5 million for the entire biennium, a choice had to be made whether to cut back the number of scholarships or to reduce the amount of each scholarship. The Council recommended and the Board of Regents approved leaving the scholarships at the full \$1000 and \$2000 amounts and to cut by half the number awarded. In the end, 463 students were awarded scholarships worth approximately \$500,000.

The tables provided by MGSLP that are included with this report show various characteristics of the scholarship recipients. Among the more noteworthy facts shown in the tables are the following two: One, scholarships were very well distributed geographically, with each county having at least one recipient, and most counties, including several with small populations, having multiple recipients. Two, Native Americans received scholarships at a rate that significantly exceeded their percentage of the state's population. By next year, the Council hopes that statistics may be available that will allow some comparisons of recipients' economic circumstances with those of either students in general or with those of other recipients of financial aid.

The Council believes that scholarship administration went reasonably well, considering the short period of time allotted to disperse first-year scholarships. MGSLP worked closely with the Office of the Commissioner of Higher Education, the Office of Public Instruction, the Montana Association of Financial Aid Administrators, and the Governor's Office to fulfill first-year requirements. The cooperation and aid of these agencies were very much appreciated. The Council and MGSLP acknowledge and thank all those involved groups for helping make the first year of *The Governor's Postsecondary Scholarship Program* a success.

CONCLUSION

The Council views the 2005 legislation that created *The Governor's Postsecondary Scholarship Program* as being one of the brighter moments in Montana postsecondary funding in recent years. Currently, the average four-year undergraduate student in Montana leaves school with a debt of around \$20,000. *The Governor's Postsecondary Scholarship Program* has the potential to reduce a student's overall debt by substantial amounts. Because the scholarships are renewable (assuming the program will be funded by the 2007 Legislature), students can receive \$2,000, \$4,000 or \$8,000 during the period of their schooling, depending on their choice of postsecondary programs. By the end of this coming academic year, over 900 students will have been awarded scholarships through this program. If the 2007 Legislature and succeeding legislatures fund the program so that the full number of scholarships authorized by the original legislation can be awarded, then 2,380 Montana students would receive scholarships in each academic year by the fourth year of full funding. That significant number of scholarship awards, coupled with other measures that could moderate increases in postsecondary tuition, should provide greater access to postsecondary education for students of modest economic means. Additionally, the need for Montana graduates to leave the state in order to more quickly pay off high educational debts should be lessened.

July 14-15, 2005

ITEM 128-109-R0705

**Approval of the 2006 Academic Year Scholarship
awards per HB 435; Office Commissioner of Higher
Education**

THAT:

The Board of Regents of Higher Education authorizes the Montana Guaranteed Student Loan Program to disburse scholarships for the 2006 academic year per the attached schedules.

EXPLANATION:

HB 435, the Governor's Postsecondary Scholarship Program, requires scholarships to be awarded in the 2006 academic year. Since the Advisory Council was just appointed, and since it is impossible to have an approved application and notification process in place prior to the beginning of Fall Semester, and since financial aid offices must have the ability to make awards prior to the beginning of the semester, the MGSLP is requesting the Board of Regents to authorize scholarship disbursements in academic year 2006 as per the attached schedules.

For merit awards, MGSLP has selected the next student in line for the MUS Honor Scholarship. For merit at-large and need-based awards, MGSLP has allocated scholarships to each eligible Montana postsecondary institution based upon FTE enrollment. Financial aid offices will be given instructions to make awards per the requirements of HB 435. MGSLP will work closely with each financial aid office to ensure compliance with HB 435, including a report to the Board of Regents detailing all awards.

This unusual awarding process will only be used in academic year 2006. Advisory Council members will soon be meeting to formulate suggestions for a permanent application and notification process that will meet all requirements of HB 435. These processes will be brought before the Board of Regents for approval once fully prepared.

ATTACHMENTS:

Governor's Postsecondary Scholarship Year 1
Implementation and Governor's Postsecondary
Scholarship Year 1 Allocation Summary

ITEM 128-109-R0705**Governor's Postsecondary Scholarship****Year 1 Implementation - Fiscal Year 2006**

Need/Merit Based	School/Study Type	Number of Awards	Amount per Scholarship	Allocation Amount	Year 1 Implementation
Merit	2- or 4-year	180	\$1,000	\$180,000	One from each accredited public and non-public high school, selected by MGSLP as administrator, based primarily on lists obtained from each high school for selection of the FY2006 MUS Honor Scholarship recipients.
Merit	4-year	20	\$2,000	\$40,000	Total number of awards allocated to each eligible school based on Fall 2004 Resident Full Time Enrollment. Awarded to eligible students by the Financial Aid Offices based on the criteria for At-large students.
Merit	2-year	35	\$1,000	\$35,000	Total number of awards allocated to each eligible school based on Fall 2004 Resident Full Time Enrollment. Awarded to eligible students by the Financial Aid Offices based on the criteria for At-large students.
Need	2-year	85	\$1,000	\$85,000	Total number of awards allocated to each eligible school based on Fall 2004 Resident Full Time Enrollment. Awarded by the Financial Aid Offices to eligible students, including students who return to school as nontraditional students, based on recognition of financial need.
Need	2-year, majoring in a health sciences field	50	\$1,000	\$50,000	Total number of awards allocated to each eligible school based on Fall 2004 Resident Full Time Enrollment. Awarded by the Financial Aid Offices to eligible students, including students who return to school as nontraditional students, based on recognition of financial need. Student must be majoring in a health sciences field.
Need	2-year, degree or certificate seeking in a technology field	110	\$1,000	\$110,000	Total number of awards allocated to each eligible school based on Fall 2004 Resident Full Time Enrollment. Awarded by the Financial Aid Offices to eligible students, including students who return to school as nontraditional students, based on recognition of financial need. Student must be seeking a certificate or degree in a technology field.
Total Allocation FY2006		480		\$500,000	

Definitions

<u>At-large student</u>	A Montana resident who meets the admission requirements established by board policy or by the admissions office of a Montana private college.
<u>Board</u>	The Board of Regents of Higher Education.
<u>Certificate</u>	A program generally completed in 1 academic year that requires less than 60 credits and that is not a self-supporting, customized training course or the certificate awarded for completion of the program.
<u>Non-traditional student</u>	A first-time student who enters a postsecondary institution or Montana private college more than 3 years after high school graduation.
<u>Scholarship</u>	A payment toward tuition and mandatory fees, excluding room and board, rounded up to the nearest dollar.

Additional Information

Each scholarship must be distributed in equal installments that correspond with the terms of the postsecondary institution's academic year.

If a Montana high school has no graduates who qualify for a scholarship, the money for those scholarships reverts and may be reallocated by the Commissioner of Higher Education.

To be eligible to receive a scholarship, an entering freshman student seeking a certificate or an associate or baccalaureate degree at a postsecondary institution must meet the following qualifications.

- a) must be classified as a Montana resident for in-state tuition under the board's policy.
- b) for purposes of a scholarship based on financial need, must have met the admission requirements established by board policy, demonstrated financial need by completing the free application for federal student aid, and be enrolled in a 2-year postsecondary program.
- c) for purposes of a merit-based scholarship, must meet the admission requirements established by board policy and those eligibility criteria established by the board, at least part of which must include a grade point average or a numerical score on a standardized college admission test, must be admitted, enrolled, or classified as an undergraduate student in a certificate program or an associate or baccalaureate degree program at a postsecondary institution, and must have completed the free application for federal student aid, which may not result in expected family contributions exceeding the cost of attendance.

A student is ineligible to receive a governor's postsecondary scholarship if the student:

- a) has been awarded a Montana University System Honor Scholarship.
- b) is a male and failed to meet the Title IV selective services registration requirements.
- c) is in default on a Title IV or state of Montana education loan or owes a refund to a federal Title IV or state of Montana student financial aid program.
- d) is incarcerated.

ITEM 128-109-R0705

Governor's Postsecondary Scholarship

Year 1 Allocation Summary

FY2006

Institution	Merit High School		Merit At-Large Students		Need General Scholarship		Need Health Sciences		Need Technology		Total	
	Scholarships	\$	Scholarships	\$	Scholarships	\$	Scholarships	\$	Scholarships	\$	Scholarships	\$
	\$1,000	per award	\$2,000	per award								
University of Montana	34	\$34,000	7	\$14,000	-	\$-	-	\$-	-	\$-	41	\$48,000
Montana State University Bozeman	70	\$70,000	7	\$14,000	-	\$-	-	\$-	-	\$-	77	\$84,000
MSU - Billings	10	\$10,000	2	\$4,000	-	\$-	-	\$-	-	\$-	12	\$14,000
MT Tech of UM - Butte	12	\$12,000	1	\$2,000	-	\$-	-	\$-	-	\$-	13	\$14,000
MSU - Northern	2	\$2,000	1	\$2,000	-	\$-	-	\$-	-	\$-	3	\$4,000
WMC of UM	2	\$2,000	1	\$2,000	-	\$-	-	\$-	-	\$-	3	\$4,000
Salish Kootenai College	1	\$1,000	1	\$2,000	-	\$-	-	\$-	-	\$-	2	\$3,000
Total 4-year	131	\$131,000	20	\$40,000	-	\$-	-	\$-	-	\$-	151	\$171,000
	\$1,000	per award	\$1,000	per award	\$1,000	per award	\$1,000	per award	\$1,000	per award		
Flathead Valley Community College	2	\$2,000	8	\$8,000	18	\$18,000	11	\$11,000	24	\$24,000	63	\$63,000
College of Technology - Great Falls	1	\$1,000	5	\$5,000	13	\$13,000	7	\$7,000	16	\$16,000	42	\$42,000
College of Technology - Missoula	5	\$5,000	4	\$4,000	9	\$9,000	5	\$5,000	12	\$12,000	35	\$35,000
College of Technology - Helena	1	\$1,000	3	\$3,000	8	\$8,000	5	\$5,000	10	\$10,000	27	\$27,000
College of Technology - Billings	3	\$3,000	3	\$3,000	8	\$8,000	4	\$4,000	10	\$10,000	28	\$28,000
Miles Community College	4	\$4,000	2	\$2,000	6	\$6,000	3	\$3,000	7	\$7,000	22	\$22,000
Blackfeet Comm College	-	\$-	2	\$2,000	4	\$4,000	3	\$3,000	6	\$6,000	15	\$15,000
Fort Peck Community College	-	\$-	2	\$2,000	4	\$4,000	3	\$3,000	6	\$6,000	15	\$15,000
Dawson Community Coll.	-	\$-	1	\$1,000	4	\$4,000	2	\$2,000	5	\$5,000	12	\$12,000
Stone Child College*	-	\$-	1	\$1,000	3	\$3,000	2	\$2,000	4	\$4,000	10	\$10,000
College of Technology - Butte	-	\$-	1	\$1,000	3	\$3,000	2	\$2,000	3	\$3,000	9	\$9,000
Little Big Horn College	1	\$1,000	1	\$1,000	2	\$2,000	1	\$1,000	3	\$3,000	8	\$8,000
Fort Belknap College	-	\$-	1	\$1,000	2	\$2,000	1	\$1,000	3	\$3,000	7	\$7,000
Dull Knife Memorial Coll.	1	\$1,000	1	\$1,000	1	\$1,000	1	\$1,000	1	\$1,000	5	\$5,000
Total 2-year	18	\$18,000	35	\$35,000	85	\$85,000	50	\$50,000	110	\$110,000	298	\$298,000
Total Available	180	\$180,000	55	\$75,000	85	\$85,000	50	\$50,000	110	\$110,000	480	\$500,000
Left to Allocate	31	\$31,000	-	\$-	-	\$-	-	\$-	-	\$-	31	\$31,000

ITEM NUMBER 128-109-R0705

Explanation

HB 435 requires the first scholarships to be awarded during the 2006 academic year. As you know, the 2006 academic year begins in late August or early September for our MUS schools. When students arrive on campus they must pay typical costs such as tuition, room and board, fees, and so forth. In order for us to meet the statutory requirement of making 2 equal scholarship installments, the first installment must be made during this August/September time frame.

Financial aid can be quite confusing. The process usually begins with a student completing a FAFSA. A federal formula determines if the student qualifies for financial aid. Typically, students in Montana applying for aid must submit their FAFSA by March or April to have a reasonable chance of receiving grant or scholarship funds when they enter college in the fall (due to a finite amount of state aid). Schools begin preparing financial aid packages in the spring. This package or offer of financial aid typically consists of federal grants (like Pell), state grants (such as MHEG), public or private scholarships (like the MUS Honor Scholarship or a Rotary scholarship), state or federal work-study, and student loans. By May first, most students have selected a school. Decisions for students who depend upon financial aid to pay for college frequently hinge upon the best financial aid package. The packaging of aid and acceptance process is very time consuming and must be done in advance of the opening of school for the sake of students who must know where they stand financially.

The Governor's Postsecondary Scholarship Program (GPSP) creates a unique problem for us, especially this first year. The advisory council was named the end of June and the funding became available July 1, 2005. The GPSP also has a list of requirements that will take considerable lead time to accomplish – things like getting lists of non-traditional students, identifying a merit student from each high school, and locating potential students in specific areas of study. I suspect it will take some type of public campaign or public service announcements to locate non-traditional students. We'll need to coordinate with OPI and school counselors to locate merit students.

Recognizing that we are obligated to disburse scholarships for the 2006 academic year, MGSLP, in consultation with our MUS and Tribal financial aid offices, has proposed a scholarship selection philosophy for the first year of the GPSP. The philosophy isn't perfect, but will accomplish the core requirements of getting scholarships out to deserving students in the 2006 academic year. The philosophy utilizes three core concepts:

1. The GPSP merit scholarship would be awarded to the student next in line to receive a MUS Honor Scholarship. Since MGSLP administers the MUS Honor Scholarship, we already have lists of meritorious students from each Montana High School. This works well – except that we lack financial information on these students. For this group this one time only, we'd suggest making selections without regard to financial need.
2. For at-large and need-based scholarships, allocate scholarships directly to schools based upon the full time equivalent enrollment (FTE) for each school.

3. Require financial aid offices to allocate scholarships to incoming freshmen who meet the requirements of the GPSP.

I believe this is the best way to locate eligible students and meet the August/September timeline. Since financial aid offices have full information on their students, they can locate those students who meet the various criteria of the bill. This process still creates a hardship on our financial aid offices and they will have to 'repackage', but they are all willing to do the extra work to make sure the GPSP gets disbursed this first year.

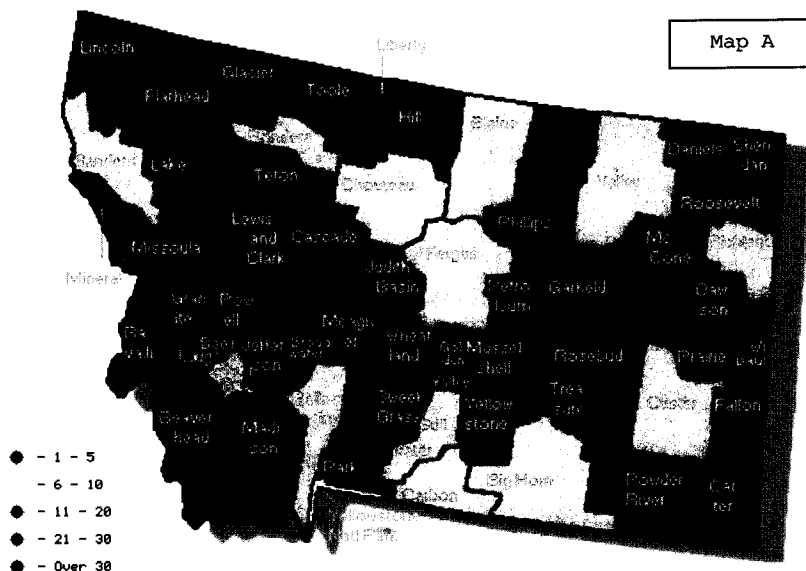
This process would only be used the first year. The advisory council plans to meet in July to begin working on procedures and policies that will be advanced to the Board for approval. The Board of Regents would be presented with a full list of potential recipients in future years for their approval. This year's plan is a one-time process necessitated by the short timeframe and unique requirements of HB 435.

2005-2006 Governor's Scholarship Recipient Demographics

County of Origin (Table A)

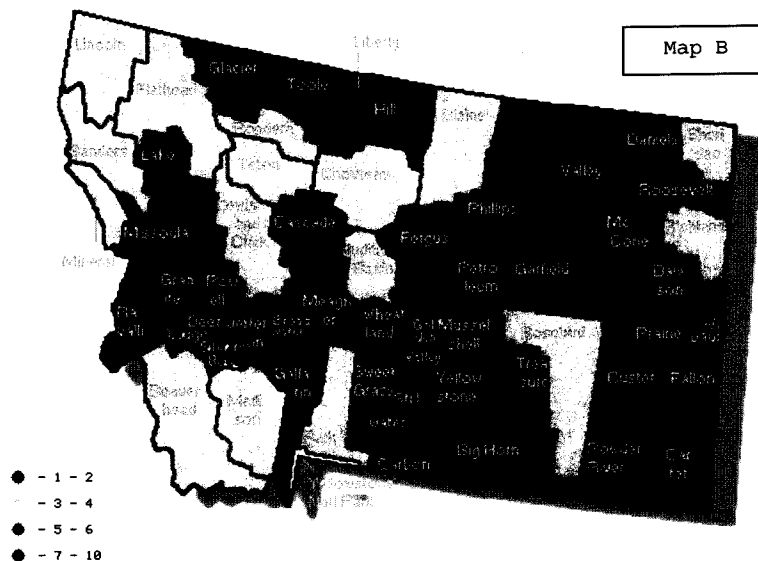
Every Montana County had at least one recipient of a Governor's Postsecondary scholarship (Map A). Flathead County had the most recipients with 44, closely followed by Cascade County with 42. Not surprisingly, other counties with high numbers of recipients were Missoula, Lewis and Clark, and Yellowstone with 37, 30, and 30, respectively. 9 counties had just one recipient.

Governor's Scholarship Count by County - All Scholarships

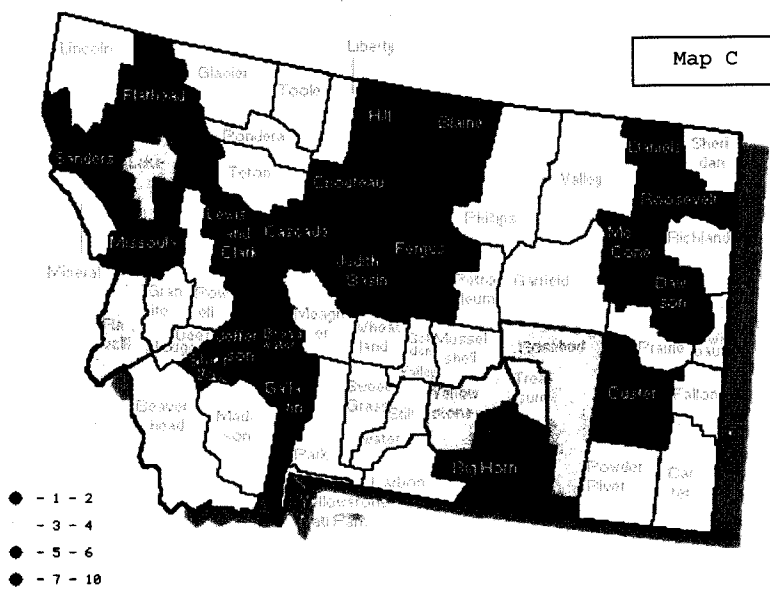


Cascade County had the most merit (Map B) and merit-at-large (Map C) with 16, while Flathead had the most need-based scholarships (Map D) with 34.

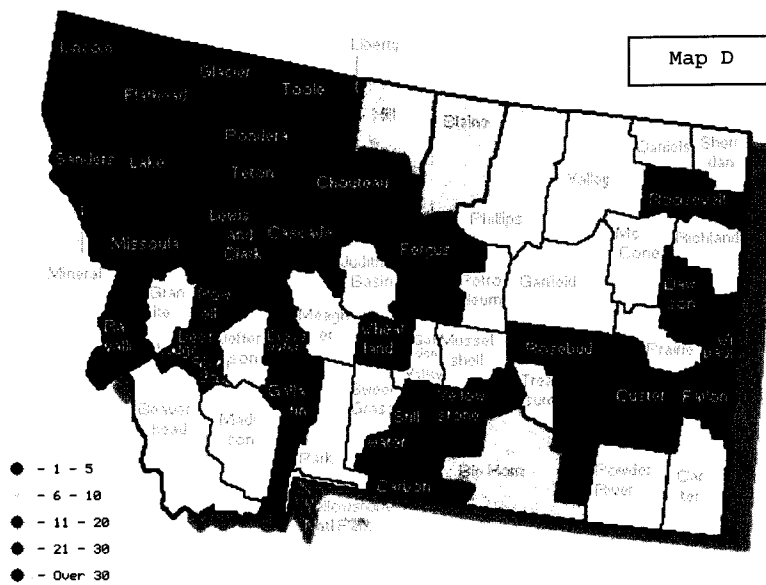
Governor's Scholarship Count by County - Merit



Governor's Scholarship Count by County - Merit-At-Large



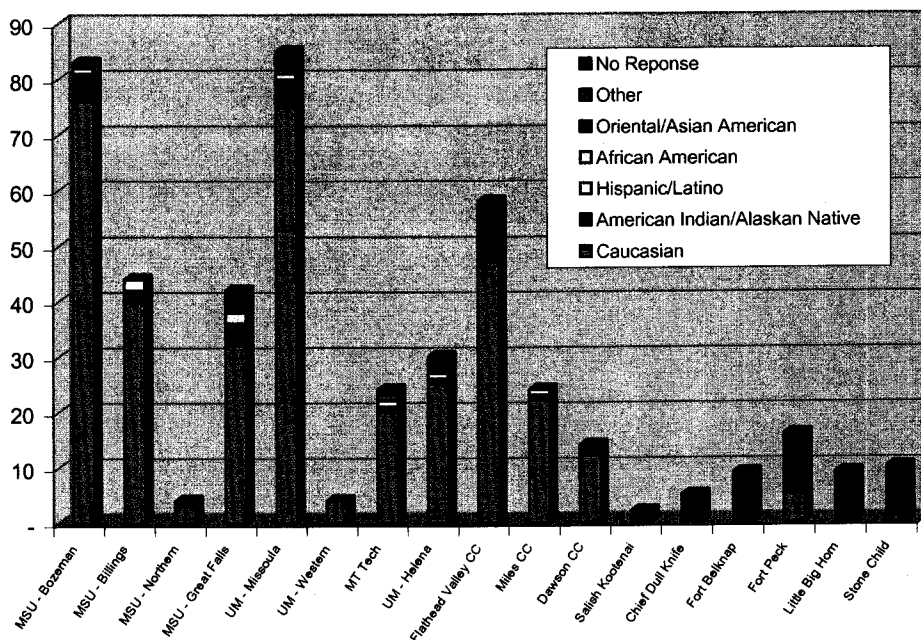
Governor's Scholarship Count by County - Need



Race/Ethnicity (Table B)

362 of the recipient, or 78.2%, were Caucasian. 68, or 14.6%, were Native American. There were 7 Hispanic/Latino Recipients, 2 African Americans, and 1 Oriental/Asian American. There was no information available on more than 20 of the recipients.

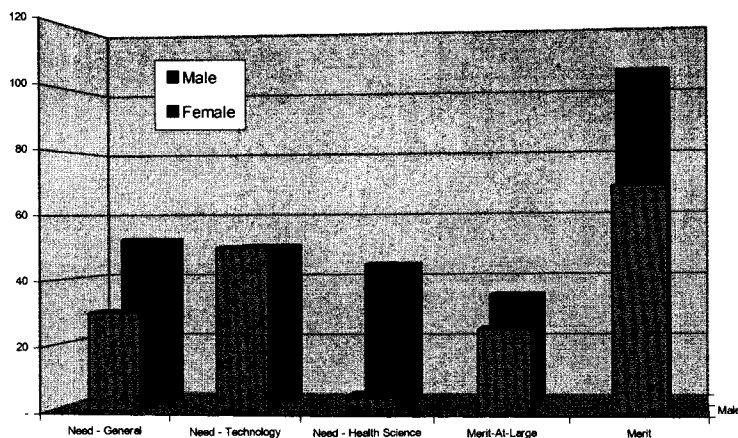
Race/Ethnicity Breakdown



Gender (Table C)

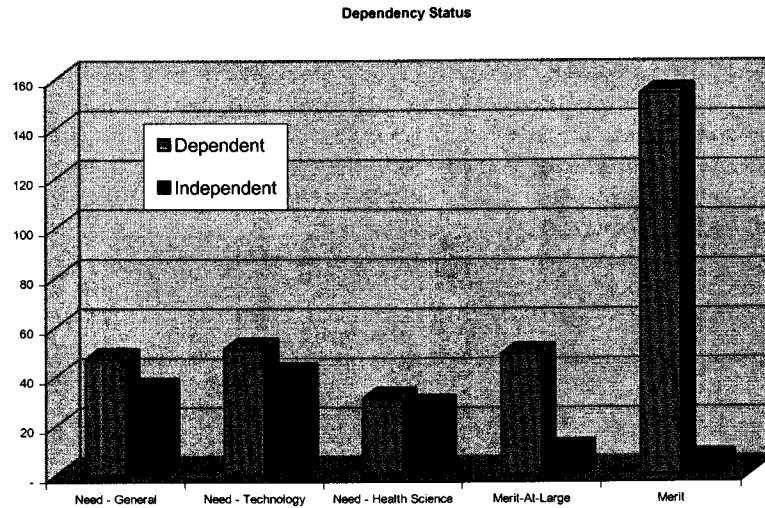
61.6% of the scholarship recipients were female. The largest discrepancy was seen in the field of need-based Health Science scholarships, with 44 out of 49 recipients being female. Parity was achieved with need-based Technology scholarships with 50 male and 50 female recipients.

Gender Breakdown



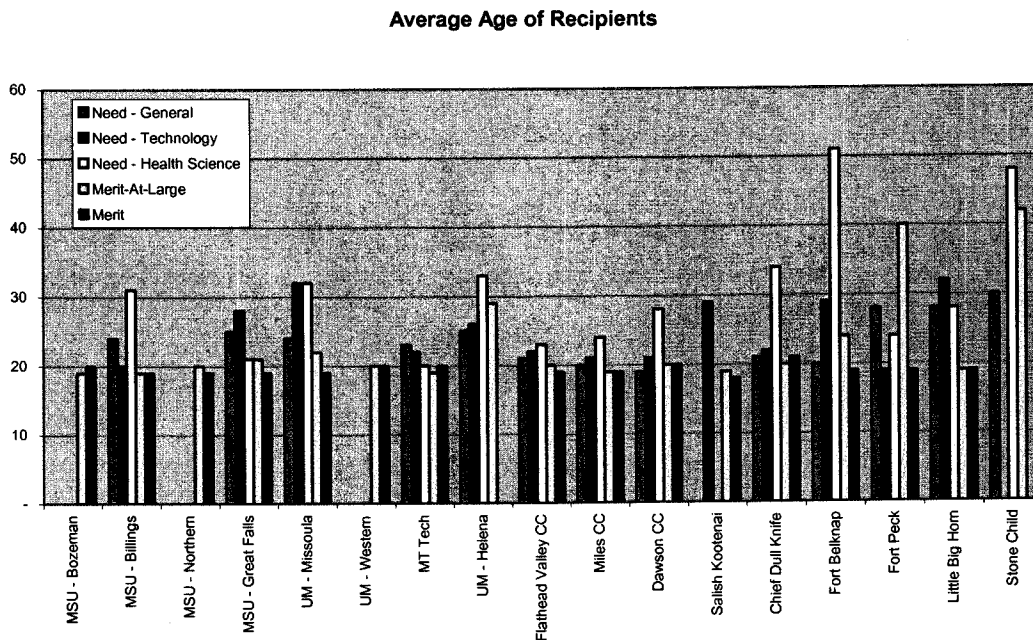
Dependency Status (Table D)

73.5% of all recipients were dependents. Since many of the scholarships are designated for top graduating high school seniors, these results are predictable. Additionally, merit recipients were not required to complete a FAFSA, meaning the number of dependent recipients is probably even higher than actually reported. Of the need-based scholarships awarded, 44.6% went to independent students. This suggests that need-based scholarships are reaching non-traditional students.



Average Age (Table E)

The average age of merit recipients was 19. This is not surprising as it corresponds to the student's age one year removed from high school. The average age for need-based recipients was highest for those studying Technology: 28 years of age. Need-based Health Science had an average age of 25 and need-based general was at 23. U of M Helena and the tribal schools had the highest individual averages.

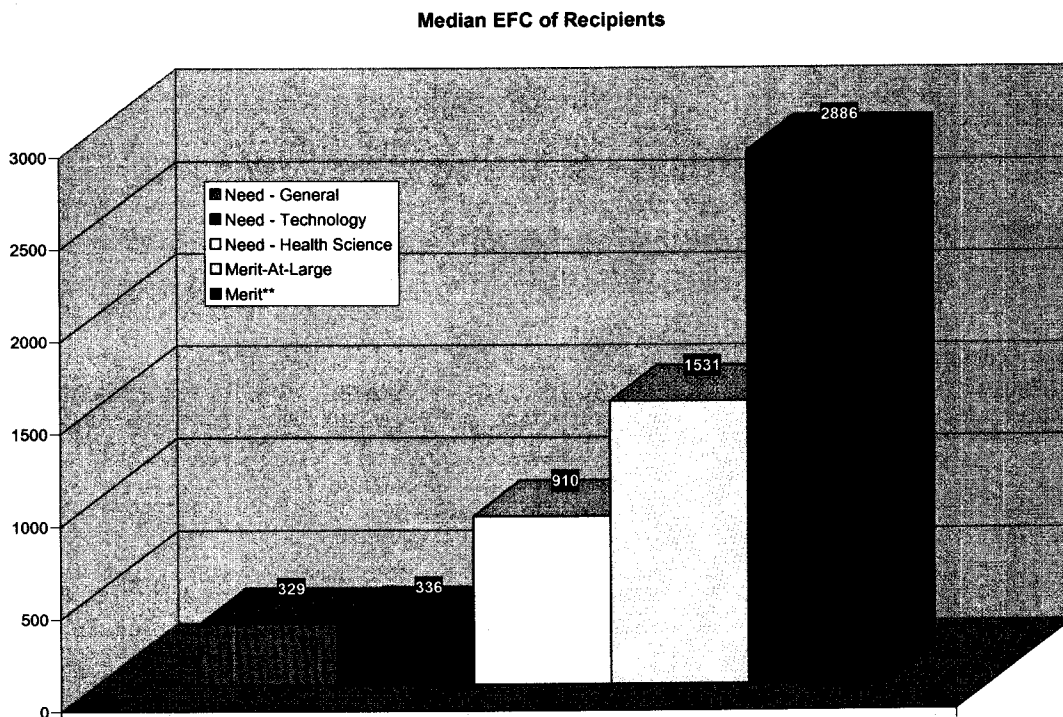


Expected Family Contribution (EFC) (Table F)

The median EFC for all three categories of need-based aid was significantly less than \$1,000. Median EFC for merit scholarship recipients was \$2,886, but this number may be significantly distorted as merit recipients didn't have to file a FAFSA (meaning that merit recipients likely to get additional financial aid probably made up the majority of the FAFSA filers – the source of data).

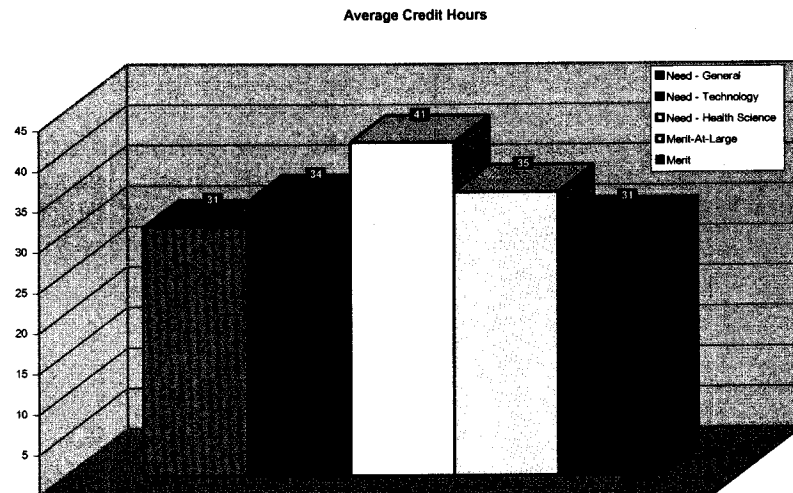
Of all the information collected, EFC is perhaps the most misleading due to the small number of scholarships awarded to certain schools (because extremes are not mitigated) and because merit recipients didn't have to file a FAFSA. For example, at Chief Dull Knife, there were 5 total scholarship recipients, with just one merit-at-large recipient. That one recipient, however, had an EFC of \$12,639. Reviewing the merit-at-large column, the \$12,639 greatly skews the results.

For comparison purposes only, EFC was checked using the mean average. In virtually all of the averages, the mean average is higher than the median average. This makes sense mathematically since many of the need-based recipients had an EFC of zero or near zero. If there were 3 reported EFC's of 0, 0, and 15,000 respectively, the median would be 0, whereas the average would be \$5,000.



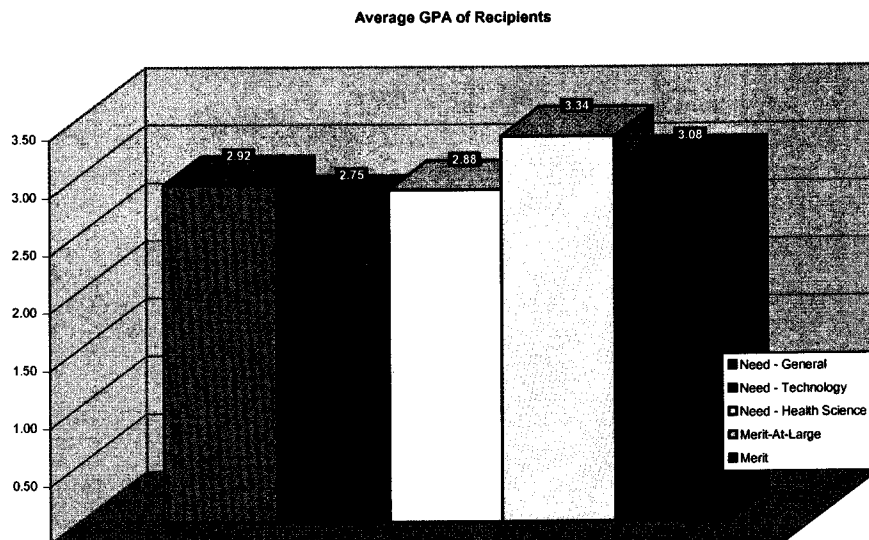
Average Credit Hours (Table G)

The university system typically uses semesters, whereas many of the tribal schools have terms. This creates some discrepancy and creates some confusion. However, it appears that virtually all categories of scholarship recipients are meeting the minimum number of hours required to renew their respective scholarships.



Average GPA Breakdown (Table H)

Both merit and merit-at-large GPAs are outstanding: merit is 3.08 and merit-at-large is even higher at 3.34. Need-based scholarships required the attainment of satisfactory academic progress, which is generally defined as a "C" or better. All categories of need-based scholarships easily exceeded this requirement.



Appendix

Table A – Scholarship Count by County

County	Merit	Merit-At-Large	Need	Total	County	Merit	Merit-At-Large	Need	Total
Flathead	4	6	34	44	Judith Basin	3	1	-	4
Cascade	10	6	26	42	Madison	4	-	-	4
Missoula	6	7	24	37	Beaverhead	3	-	-	3
Lewis & Clark	3	5	22	30	Broadwater	1	1	1	3
Yellowstone	9	4	17	30	Daniels	2	1	-	3
Roosevelt	5	2	14	21	Glacier	2	-	1	3
Hill	6	1	9	16	McCone	2	1	-	3
Lincoln	3	-	11	14	Park	3	-	-	3
Lake	6	4	3	13	Powell	2	-	1	3
Ravalli	6	3	2	11	Sheridan	3	-	-	3
Rosebud	4	3	4	11	Toole	2	-	1	3
Blaine	3	1	6	10	Deer Lodge	1	-	1	2
Valley	6	-	4	10	Garfield	2	-	-	2
Big Horn	1	2	6	9	Golden Valley	2	-	-	2
Fergus	5	2	2	9	Liberty	1	-	1	2
Gallatin	6	1	2	9	Musselshell	2	-	-	2
Richland	4	-	5	9	Phillips	2	-	-	2
Choteau	4	2	2	8	Wheatland	1	-	1	2
Sanders	4	1	3	8	Wibaux	1	-	1	2
Stillwater	5	-	3	8	Carter	1	-	-	1
Custer	2	1	4	7	Culbertson	1	-	-	1
Silver Bow	1	1	5	7	Granite	1	-	-	1
Carbon	5	-	1	6	Meagher	1	-	-	1
Pondera	4	-	2	6	Petroleum	1	-	-	1
Dawson	1	1	3	5	Powder River	1	-	-	1
Mineral	4	-	1	5	Prairie	1	-	-	1
Teton	3	-	2	5	Sweet Grass	1	-	-	1
Fallon	2	-	2	4	Treasure	1	-	-	1
Jefferson	2	2	-	4	Unknown	-	-	5	5

Merit 172
Merit-At-Large 59
Need 232
Total 463

Table B – Race/Ethnicity Breakdown

	Caucasian	American Indian/Alaskan Native	Hispanic/Latino	African American	Oriental/Asian American	Other	No Response	Total
MSU - Bozeman	76	5	1	-	-	-	1	83
MSU - Billings	40	2	2	-	-	-	-	44
MSU - Northern	3	1	-	-	-	-	-	4
MSU - Great Falls	32	4	-	2	-	-	4	42
UM - Missoula	75	5	1	-	-	-	4	85
UM - Western	4	-	-	-	-	-	-	4
MT Tech	20	1	1	-	-	1	1	24
UM - Helena	25	1	1	-	-	-	3	30
Flathead Valley CC	47	1	-	-	1	-	9	58
Miles CC	22	1	1	-	-	-	-	24
Dawson CC	12	2	-	-	-	-	-	14
Salish Kootenai	-	2	-	-	-	-	-	2
Blackfeet	NA	NA	NA	NA	NA	NA	NA	NA
Chief Dull Knife	-	5	-	-	-	-	-	5
Fort Belknap	-	9	-	-	-	-	-	9
Fort Peck	5	11	-	-	-	-	-	16
Little Big Horn	-	9	-	-	-	-	-	9
Stone Child	1	9	-	-	-	-	-	10
	362	68	7	2	1	1	22	463

Table C – Gender Breakdown

	Need - General		Need - Technology		Need - Health Science		Merit-At-Large		Merit		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
MSU - Bozeman	-	-	-	-	-	-	3	5	28	47	31	52
MSU - Billings	3	5	6	4	-	4	-	6	7	9	16	28
MSU - Northern	-	-	-	-	-	-	1	-	2	1	3	1
MSU - Great Falls	3	10	10	6	-	7	2	3	-	1	15	26
UM - Missoula	4	5	5	7	1	4	4	8	17	30	31	54
UM - Western	-	-	-	-	-	-	1	-	-	3	1	3
MT Tech	2	1	2	1	-	2	2	1	10	3	16	8
UM - Helena	2	7	4	7	-	6	3	1	-	-	9	21
Flathead Valley CC	8	10	8	11	1	10	3	5	-	2	20	38
Miles CC	2	4	5	2	-	3	2	-	3	3	12	12
Dawson CC	2	2	2	3	-	2	2	-	-	1	6	8
Salish Kootenai	-	-	-	-	-	-	-	1	-	1	-	2
Blackfeet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Chief Dull Knife	-	1	1	-	-	1	1	-	-	1	2	3
Fort Belknap	-	2	3	-	-	1	-	1	1	1	4	5
Fort Peck	2	2	2	4	2	1	-	2	-	1	6	10
Little Big Horn	-	2	1	2	-	2	1	-	-	1	2	7
Stone Child	2	1	1	3	1	1	-	1	-	-	4	6
	30	52	50	50	5	44	25	34	68	105	178	285

Table D – Dependency Status

	Need - General		Need - Technology		Need - Health Science		Merit-At-Large		Merit*		Total	
	Dependent	Independent	Dependent	Independent	Dependent	Independent	Dependent	Independent	Dependent	Independent	Dependent	Independent
MSU - Bozeman	-	-	-	-	-	-	8	-	75	-	83	-
MSU - Billings	6	2	9	1	2	2	6	-	13	1	36	6
MSU - Northern	-	-	-	-	-	-	1	-	2	1	3	1
MSU - Great Falls	6	7	6	10	4	3	3	2	NA	NA	19	22
UM - Missoula	4	5	5	7	5	3	9	3	40	-	63	18
UM - Western	-	-	-	-	-	-	1	-	3	-	4	-
MT Tech	2	1	1	2	1	1	3	-	11	-	18	4
UM - Helena	1	8	-	5	6	5	2	2	-	-	9	20
Flathead Valley CC	15	3	14	5	6	5	8	-	2	-	45	13
Miles CC	5	1	5	2	2	1	2	-	5	-	19	4
Dawson CC	4	-	3	2	1	1	2	-	1	-	11	3
Salish Kootenai	-	-	-	-	-	-	1	-	1	-	2	-
Blackfeet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Chief Dull Knife	1	-	-	1	-	1	1	-	-	1	2	3
Fort Belknap	1	1	-	1	2	1	-	1	-	2	3	6
Fort Peck	2	2	5	1	1	2	1	1	-	1	9	7
Little Big Horn	-	2	3	-	1	1	1	-	1	-	6	3
Stone Child	-	3	-	4	-	2	-	1	-	-	-	10
	47	35	51	41	31	28	49	10	154	6	332	120

* Merit Recipients not required to complete a FAFSA

Table E – Average Age

	Need - General		Need - Technology	Need - Health Science	Merit-At-Large	Merit	Total
	Dependent	Independent	Dependent	Independent	Dependent	Independent	Dependent
MSU - Bozeman	-	-	-	-	19	20	19
MSU - Billings	24	-	20	31	19	19	21
MSU - Northern	-	-	-	-	20	19	20
MSU - Great Falls	25	-	28	21	21	19	25
UM - Missoula	24	-	32	32	22	19	23
UM - Western	-	-	-	-	20	20	20
MT Tech	23	-	22	20	19	20	20
UM - Helena	25	-	26	33	29	-	27
Flathead Valley CC	21	-	22	23	20	19	22
Miles CC	20	-	21	24	19	19	21
Dawson CC	19	-	21	28	20	20	21
Salish Kootenai	-	-	-	-	19	18	19
Blackfeet	NA	-	NA	NA	NA	NA	NA
Chief Dull Knife	21	-	29	34	20	21	25
Fort Belknap	20	-	22	51	24	19	24
Fort Peck	28	-	29	24	40	19	29
Little Big Horn	28	-	19	28	19	19	23
Stone Child	30	-	32	48	42	-	35
	23	-	28	25	22	19	23

Table F – Expected Family Contribution (EFC)

#	Need - General			Need - Technology			Need - Health Science			Merit-At-Large			Merit*			Total		
	Completed FAFSAs	Median EFC	Avg EFC	Completed FAFSAs	Median EFC	Avg EFC	Completed FAFSAs	Median EFC	Avg EFC	Completed FAFSAs	Median EFC	Avg EFC	Completed FAFSAs	Median EFC	Avg EFC	Completed FAFSAs	Median EFC	Avg EFC
MSU - Bozeman	8	2600	2959	10	3444	3832	4	2230	3289	8	469	4083	61	14	6204	9015	69	5053
MSU - Billings	-	-	-	-	-	-	-	-	-	6	5479	5005	14	2	1355	3983	42	2916
MSU - Northern	-	-	-	-	-	-	-	-	-	1	1050	1050	3	0	0	991	4	525
MSU - Great Falls	13	0	1260	16	685	2243	7	2335	3167	5	3217	3602	0	1	NA	NA	41	753
UM - Missoula	9	194	786	12	1861	1916	5	2340	1966	12	18.5	519	40	7	367	3546	78	350
UM - Western	-	-	-	-	-	-	-	-	-	1	1599	1599	3	0	13002	11088	4	8581
MT Tech	3	2054	1743	3	1990	1699	2	1124	1124	3	4991	5537	11	2	4472	7260	22	2527
UM - Helena	9	0	166	11	0	49	6	1254	2373	4	900	7284	-	-	-	-	30	0
Flathead Valley CC	18	975	1316	19	1626	1665	11	1861	1498	8	3901	14581	2	0	5616	5616	58	1851
Miles CC	6	833	2121	7	1503	1771	3	1052	2199	2	2619	2619	5	1	3949	10397	23	1456
Dawson CC	4	668	799	5	3026	2971	2	0	0	2	1877	1877	1	0	5842	5842	14	1070
Salish Kootenai	-	-	-	-	-	-	-	-	-	1	0	0	1	0	0	0	2	0
Blackfeet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Chief Dull Knife	1	0	0	1	0	0	1	0	0	1	12639	12639	1	0	0	0	5	0
Fort Belknap	2	575	575	3	0	355	1	0	0	1	0	0	2	0	2394	2394	9	0
Fort Peck	4	873	802	6	0	0	3	0	0	2	14146	14146	1	0	3299	3299	16	0
Little Big Horn	2	486	486	3	0	97	2	0	0	1	0	0	1	0	157	1857	9	0
Stone Child	2	0	0	4	0	0	2	157	157	1	3983	3983	-	-	-	-	9	0
	82	329	1205	100	336	1631	49	910	1735	59	1531	5184	136	27	2886	6700	426	1051

* Merit Recipients not required to complete a FAFSA – Median/Average EFC does not include those who did not complete FAFSA

NA Data Not Available for Recipients

- No Recipients

0 Zero EFC

Table G – Average Credit Hours

	Need - General	Need - Technology	Need - Health Science	Merit-At-Large	Merit	Total
MSU - Bozeman				31	32	31
MSU - Billings	32	25	26	26	27	27
MSU - Northern				29	25	26
MSU - Great Falls	21	22	28	15	15	22
UM - Missoula	30	47	117	47	32	41
UM - Western				31	27	28
MT Tech	27	35	27	29	28	29
UM - Helena	41	48	28	39	-	40
Flathead Valley CC	23	21	25	29	33	24
Miles CC	29	16	53	43	38	32
Dawson CC	32	18	21	35	40	26
Salish Kootenai				20	30	25
Blackfeet	NA	NA	NA	NA	NA	NA
Chief Dull Knife	83	94	69	55	56	71
Fort Belknap	23	48	26	25	25	32
Fort Peck	66	38	41	44	16	45
Little Big Horn	31	30	28	35	34	31
Stone Child	46	104	79	101	-	81
	31	34	41	35	31	33

Table H – Average GPA Breakdown

	Need - General	Need - Technology	Need - Health Science	Merit-At-Large	Merit	Total
MSU - Bozeman				3.73	3.07	3.13
MSU - Billings	3.28	2.63	3.30	3.13	2.73	2.85
MSU - Northern				2.45	2.43	2.44
MSU - Great Falls	3.10	2.86	2.45	2.42	2.17	2.80
UM - Missoula	2.78	2.67	2.88	3.33	3.32	3.15
UM - Western				3.18	3.05	3.09
MT Tech	2.35	3.18	3.39	3.39	2.91	2.97
UM - Helena	3.05	3.17	3.30	3.79	-	3.14
Flathead Valley CC	2.64	2.75	2.71	3.35	3.95	2.83
Miles CC	3.01	2.10	3.17	3.39	3.40	2.89
Dawson CC	2.53	1.85	3.22	3.55	3.49	2.60
Salish Kootenai				2.95	1.90	2.43
Blackfeet	NA	NA	NA	NA	NA	NA
Chief Dull Knife	3.45	3.11	3.91	3.87	3.46	3.56
Fort Belknap	2.81	2.82	2.92	3.44	3.05	2.95
Fort Peck	3.19	3.48	2.44	3.93	1.56	3.15
Little Big Horn	3.33	2.81	1.71	3.77	1.72	2.67
Stone Child	3.03	2.40	3.29	3.15	-	2.84
	2.92	2.75	2.88	3.34	3.08	2.99

ITEM 129-102-R1105

Date: October 25, 2005
To: Commissioner Stearns
From: Bruce Marks
RE: Proposed Governor's Postsecondary
Scholarship Program Policy

The Governor's Postsecondary Scholarship Council, working with MGSLP, is requesting Board of Regent approval of the attached Governor's Postsecondary Scholarship policy. To aid in that approval process, I've prepared this memo to explain some of the more confusing aspects of the proposed policy.

The proposed policy is a balance between the legal requirements of the statute, input from the Governor's office, and the administrative limitations of MGSLP. It represents a collaborative effort between the Governor's office, the Office of Public Instruction, MGSLP, OCHE (specifically Cathy Swift) and the Council.

In this policy, the Board of Regents delegates authority to select scholarship recipients to MGSLP. After discussing timing issues and whether it was practical for the Board to review individual recipients prior to the actual awarding of scholarships, we concluded it best to have the Board delegate this authority to MGSLP. MGSLP will provide informational lists to the Board reporting the awards it has made each year.

The Governor's Postsecondary Scholarship Program (GPSP) is made up of 7 different types of scholarships that are based upon specific areas of study and the type of postsecondary institution the student will attend. The proposed policy divides these 7 types of scholarships into 3 categories: Merit-based awards to graduating high school seniors, merit-based awards available to at large applicants, and need-based awards. Different logic is used for each of these categories.

For merit-based awards to graduating high school seniors, we copy the philosophy we presently use to select MUS Honor Scholarship recipients. We work closely with each of Montana's accredited high schools to find the student with the highest GPA. The highest ranked student attending an MUS school receives the Honor Scholarship. Under this proposed policy, the next two highest ranking, eligible students will

receive a four and two year Governor's scholarship, respectively.

Students hoping for an at-large merit scholarship must apply to MGSLP. Although there are only 110 at-large scholarships available, total applications could easily exceed 1,000 each year. At-large applications will create a significant workload issue for MGSLP, but we believe it's the most appropriate way to reach the home-schooled, non-traditional, and other low-income Montanans the scholarship was created to assist.

In order to award need-based scholarships, we need the help of our financial aid offices. To determine financial need, students complete the Free Application for Federal Student Aid (FAFSA). The results of the FAFSA are only shared with the postsecondary institutions the students have indicated they wish to attend (and in some cases, a central repository – but there is no central repository in Montana). The results of the FAFSA indicate Expected Family Contribution (EFC). Since we have to know EFC and the financial status of a student to meet the requirements of the statute, only a financial aid office can identify those students who would qualify for a need-based scholarship.

The policy allocates need-based scholarships as determined by the number of FTE students enrolled at each 2-year school, or in the case of a 4-year school, the number of students enrolled in 2-year programs. Each postsecondary institution is guaranteed a minimum of 5 need-based scholarships, per the direction of the Council.

The policy is fairly lengthy – due primarily to the amount of detail included in the original bill. We initially considered a separate policy for each of the three categories of scholarships, but disliked the repetition and combined length that three policies would have created.

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SUBJECT: STUDENT AFFAIRS
Section: 501.3 Governor's Postsecondary
Scholarship Program

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Approved:

I. Background:

The Governor's Postsecondary Scholarship Program was created by Sections 20-26-601 through 2026-613 MCA. A Governor's Scholarship Advisory Council was appointed by the Governor to assist the Board of Regents of Higher Education in awarding and administering the scholarship program. The Commissioner of Higher Education, under the authority of the Board and in consultation with the Council, shall administer the Governor's Postsecondary Scholarship Program. The Montana Guaranteed Student Loan Program (MGSLP) will facilitate this program on behalf of the Office of the Commissioner of Higher Education.

The purpose of establishing the Governor's Postsecondary Scholarship Program is to provide Montana residents with greater access to Montana's postsecondary institutions and Montana's private colleges, through scholarships based on academic achievement and financial need, with a goal of alleviating student debt burdens, which will allow more Montanans to stay in the state upon graduation.

II. Board Policy:

The Board of Regents, on the recommendation of the Governor's Scholarship Advisory Council, hereby adopts the following policy for the implementation of the Governor's Postsecondary Scholarship Program and for the awarding of scholarships pursuant to that program.

III. Eligibility:

A. A student is eligible to receive a Governor's Postsecondary Scholarship providing the student:

1. Has been accepted by an eligible Montana postsecondary institution for full time enrollment.
2. Has completed the Free Application for Federal Student Aid (FAFSA).
3. Does not have an expected family contribution (EFC) exceeding the cost of attendance at the postsecondary institution the student will attend.
4. Has not been awarded a Montana University System Honor Scholarship.
5. If a male, has met the Title IV selective services registration requirements.
6. Is not in default on a Title IV or state of Montana education loan.
7. Does not owe a refund to a federal Title IV or state of Montana student financial aid program.
8. Is a resident of the state of Montana.
9. Is not incarcerated.
10. Is an entering freshman at a qualifying Montana postsecondary institution seeking a first certificate, associate, or baccalaureate degree.

IV. Categories of Scholarships:

A. The Governor's Postsecondary Scholarship is made up of 3 categories of scholarships:
merit-

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based awards to graduating high school seniors, merit-based awards available to at-large applicants, and need-based awards.

1. Merit-based awards to graduating high school seniors: MGSLP will award Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on merit in accordance with Section 20-26-612 (2)(b) and (c). One scholarship may be awarded to one graduate of each of Montana's accredited high schools, including accredited nonpublic high schools, to a student attending a qualifying 4-year postsecondary institution and one scholarship may be awarded to one graduate of each of Montana's accredited high schools, including accredited nonpublic high schools, to a student attending a qualifying 2-year postsecondary institution.

2. Merit-based awards available to at-large applicants: MGSLP will award forty (40) Governor's Postsecondary Scholarships annually in the amount of \$2,000 each, based on merit in accordance with Section 20-26-612 (2) (a) and seventy (70) Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on merit in accordance with Section 20-26-612 (2) (d).

3. Need-based awards: MGSLP will award Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on financial need in accordance with Sections 20-26-612 (2) (e), (f), and (g).

V. Eligible Institutions:

A. Recipients of a scholarship under Sections 20-26-612 (2)(a) or (b) may utilize the award at any of the following eligible postsecondary institutions:

1. **Category a:** a campus of the Montana University System, as defined in Section 20-25-201, whose participation agreement with the US Department of Education allows for the offering of a Bachelors Degree or a Montana tribal college whose participation agreement with the US Department of Education allows for the offering of a Bachelors Degree;

If donations to the Governor's Postsecondary Scholarship Program from private sources are designated for a private college, defined as a nonprofit private educational institution in Section 15-30-163(3)(b), the scholarship may be used at the designated Montana private college, subject to the same restrictions, eligibility and renewal requirements as those for recipients attending the postsecondary institutions listed above. Private colleges are eligible to participate in the Governor's Postsecondary Scholarship Program only to the extent donations are designated expressly for that private college.

B. Recipients of a scholarship under Sections 20-26-612 (2)(c) or (d) or (e) or (f) or (g) may utilize the award at any of the following eligible postsecondary institutions:

1. **Category b:** a Montana community college, defined and organized as provided in Section 20-15-101; or

2. **Category c:** an institution of the Montana University System, as defined in Section 20-25201

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that offers a two year associate degree or certificate program;

3. **Category d:** a two-year, accredited tribal community college located in the state of Montana or a four-year accredited tribal college located in the state of Montana that offers a two year associate degree or certificate program.

VI. Renewal of Scholarships:

A. The Governor's Scholarship is renewable annually provided the student meets the following conditions:

1. A recipient who is awarded a merit-based scholarship to attend a 2-year postsecondary program is eligible to receive the scholarship for a maximum of 2 consecutive years provided the recipient meets all applicable requirements of **III. Eligibility**, and has earned a cumulative 2.5 GPA at the postsecondary institution and completes a minimum of 30 semester hours after one year.
2. A recipient who is awarded a merit-based scholarship to attend a 4-year postsecondary institution is eligible to receive the scholarship for a maximum of 4 consecutive years, provided the recipient meets all applicable requirements of **III. Eligibility**, and maintains a cumulative 2.5 GPA at the end of the school term in which the student completes a minimum of 30 semester hours after one year, 60 semester hours after two years, and 90 semester hours after three years.
3. A recipient who is awarded a need-based scholarship to attend a 2-year postsecondary program is eligible to receive the scholarship for a maximum of 2 consecutive years provided the recipient meets all applicable requirements of **III. Eligibility**, and has completed all first year requirements for a certificate or associate degree, including satisfactory academic progress.

VII. Transferability:

This scholarship is transferable between eligible campuses upon notification by the student, provided continued eligibility requirements have been met. In such case the student's initial scholarship eligibility period will remain the same (e.g. a two-year scholarship may only be transferred to another qualifying two-year program and a four-year scholarship may only be transferred to another qualifying four-year program).

VIII. Appeals:

Students may appeal termination of their awards to the Commissioner of Higher Education. The Commissioner's decision is final.

IX. Procedures:

A. Merit-based awards to graduating high school seniors.

1. Recipients will be selected based upon a listing of class rank provided by the high school

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-
- principal or designee. The high school principal, or designee, must certify to the MGSLP, acting on behalf of the Commissioner of Higher Education, that the prospective recipient is a graduate of a Montana high school accredited by the state Board of Public Education and is a US citizen and resident of Montana for in-state tuition under the board's policy. The high school principal, or designee, will provide a list to the MGSLP of the school's highest-ranking students (the highest one-fourth of the graduating class with a minimum grade point average of 3.00), and who have met the admission requirements of the respective postsecondary institutions the students plan to attend. The student ranked the highest in scholarship in the graduating class desiring to attend an eligible postsecondary institution will have the first choice of attending a two or four-year school. If a four-year school is chosen, a scholarship to a two-year school will be offered to the next student meeting those eligibility requirements. If the highest ranked student chooses a two-year school, a four-year scholarship will be offered to the next student meeting those eligibility requirements.
2. A high school student who fails to complete a FAFSA or gain acceptance into a Montana postsecondary institution by March 31st of the award year will not be considered for a Governor's Postsecondary Scholarship.
 3. If it is determined that a student is ineligible for the scholarship, based on any of the circumstances listed in **III: Eligibility**, the student and high school counselor will receive written notification, and another recipient will be selected.
 4. If the recipient of a Governor's Postsecondary Scholarship decides not to attend an eligible campus, the student should relinquish the scholarship at once. In such cases where the scholarship is relinquished prior to May 15th of the award year, the high school principal or designee may certify the next ranking eligible member of the same graduating class, but such person will be subject to the same restrictions as the original holder of the scholarship.
 5. If there is a tie between top ranking students, the principal, or designee, shall use the following process to break the tie:
 - a. If the GPA for the students is exactly the same, the results of the students' ACT composite test score taken before December 31st of the previous calendar year will be used.
 - b. If the students did not take the ACT test, the results of the SAT test taken before December 31st of the previous calendar year will be used.
 - c. If one student took the ACT and the other the SAT, a comparability chart will be used, with the highest test score based on the comparability chart prevailing.
 - d. If the test scores are the same, the number of honors classes the students have completed will be used, with the student scoring the highest points in GPA and numbers of honors classes prevailing.
 6. A recipient must utilize the scholarship within 9 months after high school graduation.
 7. The computation of actual grade point averages shall be as of the end of the 6th semester of high school or, in the case of a student graduating in three years, at the end of the 4th semester of high school. To remain eligible the student must maintain a 3.00 or higher GPA through the 7th semester (the 5th semester in the case of a student graduating early).
 8. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

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B. Merit-based awards available to at-large applicants.

1. **Eligible high school students must apply for the scholarship.** To be eligible to receive an at-large scholarship, the student must apply to and be accepted by one of the eligible postsecondary institutions identified above and complete the Free Application for Federal Student Aid (FAFSA). The student must also submit a completed scholarship application to the MGSLP, acting on behalf of the Commissioner of Higher Education, not later than March 31st of the award year. Any eligible student who does not submit the required scholarship application by the application deadline will not be considered for an at-large scholarship.
2. In consultation with the Governor's Postsecondary Advisory Council, the MGSLP will forward to eligible postsecondary institutions ranked lists of potential recipients. Potential recipients will be identified based upon some or all of the following criteria:
 - a. The applicant's high school grade point average
 - b. The applicant's coursework
 - c. The applicant's ACT or SAT results
 - d. The applicant's extra-curricular activity
 - e. The applicant's community service or volunteer work
 - f. The applicant's financial need
 - g. The impact or difference a scholarship would make for the applicant's college attendance
 - h. The quality of any additional required documents attached to the application
 - i. References, when required
3. Postsecondary institutions, upon receipt of the ranked lists, will check the applicant for enrolled status and financial need. Postsecondary institutions are responsible for making the scholarship offer based upon the rankings provided and will report to the MGSLP accepted awards.
4. A recipient must utilize the scholarship within 9 months of the award date.
5. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

C. Need-based awards:

1. After consultation with the Council, the MGSLP, acting on behalf of the Commissioner of Higher Education, will allocate need-based awards each year to eligible postsecondary institutions based upon the most recent full time equivalent enrollment information available to the MGSLP for students enrolled in two-year certificate or associate programs.
2. Each eligible postsecondary institution will receive a minimum of five (5) need-based scholarships, regardless of the actual FTE calculation.
3. The MGSLP will advise each postsecondary institution of the specific number of general, health science, and technology scholarships it must award.
4. The financial aid office at each postsecondary institution shall be solely responsible for identifying and awarding scholarships to need-based recipients. No standard criteria will be used for selecting candidates other than the primary consideration of financial need. Because many students have expected family contributions of zero, institutions may use the following guidelines for identifying need-based recipients:
 - a. The ability of the recipient to benefit from the scholarship

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- b. The past academic performance of the recipient
 - c. The status of the student, specifically a first generation or non-traditional college student.
 - d. The impact a scholarship would have on a recipient's debt-load, need to work while attending college, or ability to remain in the state of Montana after graduation.
5. Recipients must utilize the scholarship within 9 months of the award date.
 6. Postsecondary institutions will report to MGSLP not later than October 31st of each year the recipients and their courses of study for need-based scholarships.
 7. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

X. Authorization to Distribute Funds:

- A. Funds from a scholarship must be used towards payment of tuition and mandatory fees, excluding room and board, rounded up to the nearest dollar, and may not be used to pay for remedial or college-preparatory course work. Following consultation with the Governor's Postsecondary Scholarship Advisory Council and selection of eligible recipients, the MGSLP, on behalf of the Commissioner of Higher Education, is authorized to pay the costs of a Governor's Postsecondary scholarship at a eligible postsecondary institution at which a recipient has enrolled. Additionally:

1. The recipient of a Governor's Postsecondary scholarship award is not precluded from receiving other financial aid, awards, or scholarships that would result in an overpayment of financial aid as determined by the postsecondary institution's financial aid office.
2. Each Governor's Postsecondary scholarship will be distributed directly to the postsecondary institution in equal installments at the beginning of each semester/quarter that correspond with the terms of the postsecondary institution's academic year, for payment of the recipient's tuition and mandatory fees.
3. If a Montana high school has no graduates who qualify for a scholarship awarded under Sections 20-26-602 (2)(b) or (c) or if a recipient of a scholarship becomes ineligible for renewal of a scholarship, the money for those scholarships reverts and may be reallocated by the MGSLP to scholarships for at-large students, as described in Sections 20-26-612 (2) (a) and (d).
4. Except when otherwise designated, per Section 20-26-612 (8), scholarship awards are determined solely in accordance with this policy and are not subject to appeal.
5. Except for funds donated from private sources, the obligation for funding the governor's postsecondary scholarship program is an obligation of the State. The Board is not required to provide a scholarship to an eligible student without a line item appropriation to the Board for this purpose.
6. If the line item appropriation is insufficient to fully fund the Governor's Postsecondary Scholarship Program, recipients seeking renewal of their scholarships will have priority for available funds.
7. If the line item appropriation is insufficient to fully fund the Governor's Postsecondary Scholarship Program, the number of scholarships will be reduced, but individual scholarship

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amounts will remain unchanged (i.e. the award amount will remain \$1,000 or \$2,000 depending upon the type of scholarship received).

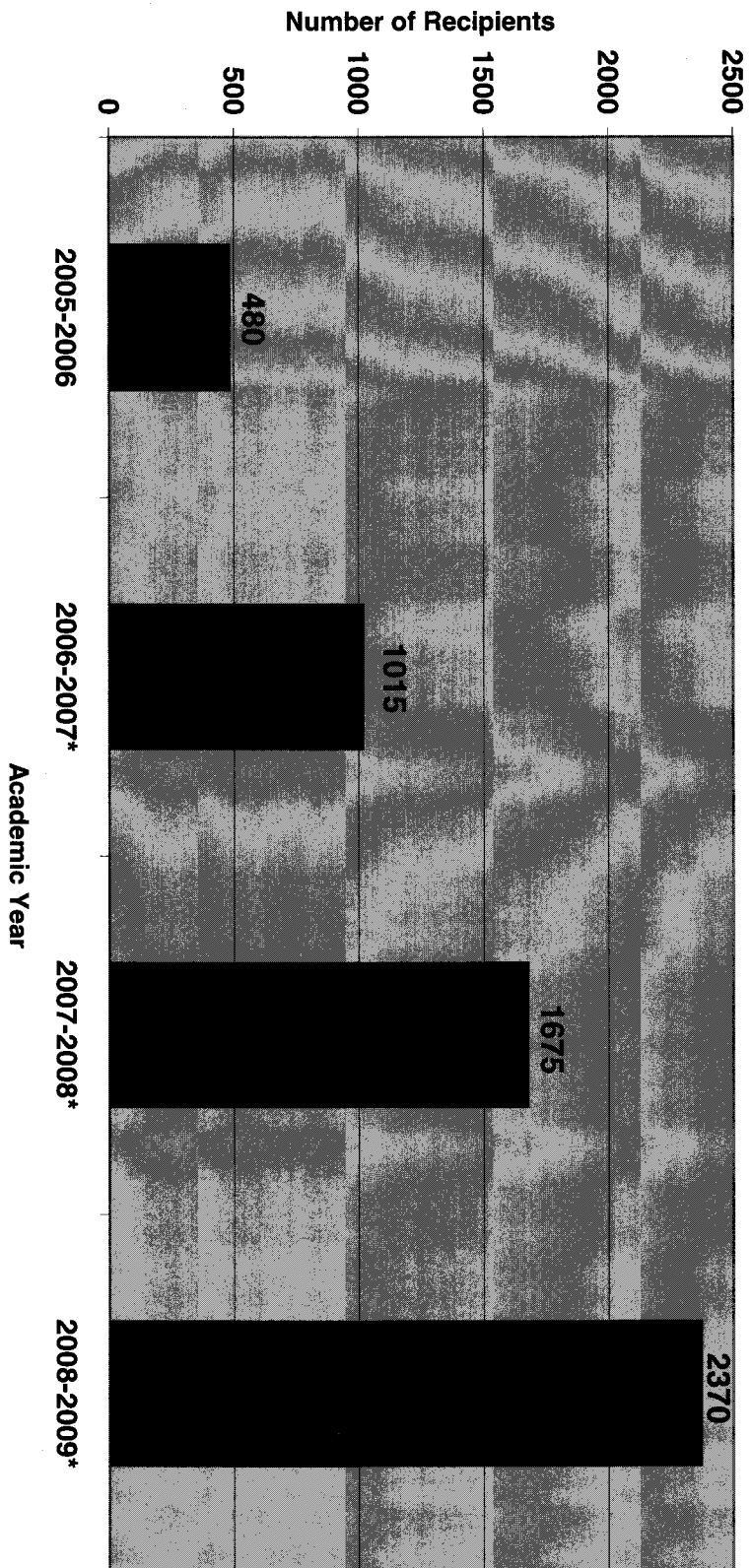
8. A Governor's Scholarship Recipient who is called to active military duty does not lose his or her eligibility or right to renew the scholarship by that reason, provided he or she returns to school within nine months of discharge from active military duty.

9. Recipients of a Governor's Postsecondary Scholarship are limited to one Governor's Postsecondary Scholarship (i.e. one merit, or one need-based, or one at-large scholarship).

History:

Item 129-102-R1105, Governor's Postsecondary Scholarship Program Policies, approved by the Board of Regents November 18, 2005 (Memo).

Cumulative Number of Governor's Scholarship Recipients



Cumulative Number of Governor's Scholarship Recipients

Academic Year	2005-2006	2006-2007*	2007-2008*	2008-2009*
Number of Recipients	480	1015	1675	2370

*Projected Number of Recipients for the Academic Year